

Under the Use Tax Act, persons who purchase tangible personal property from out-of-State retailers, and either ship or bring that property into Illinois incur Use Tax Liability. The purchaser would get credit against his or her Illinois Use Tax obligations for taxes properly due and paid in another state. See 86 Ill. Adm. Code 150.310(a)(3). (This is a GIL.)

December 29, 2005

Dear Xxxxx:

This letter is in response to your letter dated March 30, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I recently moved to Louisiana, having lived in Illinois my entire life, except for during military service. Prior to my moving, I had visited this state and I had inquired about the requirements for registering and licensing of my vehicles. They told me that if my present state (Illinois) gave tax credits for people moving from Louisiana to Illinois they also give credits to new residents from Illinois.

Upon returning to Illinois, I had gone to the DMV on Elston Ave. in Chicago. I asked a representative from the tax department if they (the state of Illinois) gave tax credits to people moving to Illinois from Louisiana) he said yes they do.

I had recently purchased a used vehicle in September while living in Elmwood Park and I paid 8¾% tax for that purchase (7% to Cook County and 1¾% to Elmwood Park).

Since I moved to CITY, Louisiana, I have had one of my vehicle [sic] licensed here and they only gave me a credit of 4%, but I had to pay an additional 4.5% tax on that vehicle.

My question is: Is there a State or Federal Law covering these credit allowances, such that they must be done on a equal basis.

Needless to say, I am very unhappy about having to pay additional taxes, especially since they were so high when I purchased them and I have additional vehicles to license.

I would appreciate any assistance you can give me. Thank you.

DEPARTMENT'S RESPONSE

In Illinois, under the Use Tax Act, persons who purchase tangible personal property from out-of-State retailers, and either ship or bring that property into Illinois would incur Use Tax liability. The purchaser must self assess the tax and remit it directly to the Department of Revenue. The purchaser would get credit against his or her Illinois Use Tax obligations for taxes properly due and paid in another state. See 86 Ill. Adm. Code 150.701 and 150.310(a)(3). Many other states have similar arrangements. I am not able to advise you regarding the law in Louisiana.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote
Associate Counsel

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